SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST

ANNUAL FINANCIAL REPORT

As of June 30, 2007 and For The Period From January 1, 2007 (Date of Inception) Through June 30, 2007

Under provisions of state law, this report is a public document. Acopy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/26/07

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST June 30, 2007

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FINANCIAL SECTION

(504) 371-4390

ACCOUNTANT'S REVIEW REPORT

Board of Commissioners Southeast Louisiana Flood Protection Authority – West Marrero, Louisiana

I have reviewed the accompanying "primary government" financial statements of the governmental activities and each major fund of the Southeast Louisiana Flood Protection Authority – West (the "Authority"), a component unit of the State of Louisiana, as of June 30, 2007 and for the period from January 1, 2007 (date of inception) through June 30, 2007, which collectively comprise the basic financial statements of the Authority, as listed in the table of contents, and the accompanying supplemental information contained on page 28, in accordance with Statements for Accounting and Review services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Southeast Louisiana Flood Protection Authority – West.

A review consists principally of inquiries of the Authority's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying "primary government" financial statements of the Authority in order for them to be in conformity with the accounting principles generally accepted in the United States of America.

The financial statements referred to above include only the "primary government" of the Southeast Louisiana Flood Protection Authority – West (the "Authority"), a component unit of the State of Louisiana, which consists of all funds and departments that comprise the Authority's legal entity. The financial statements do not include financial data for the Authority's legally separate "component units", which accounting principles generally accepted in the United States of America require to be reported with the financial statements of the Authority's primary government. As a result, the "primary government" financial statements do not purport to, and do not, present the financial position of the "reporting entity" of the Southeast Louisiana Flood Protection Authority – West, a component unit of the State of Louisiana, as of June 30, 2007, or the changes in its financial position for the period from January 1, 2007 (date of inception) through June 30, 2007 in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the individual fund statements, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information referred to above.

Paul C. Rivera, CPA Marrero, Louisiana

Paul C. River CPA

August 29, 2007

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST

MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2007

As management of the Southeast Louisiana Flood Protection Authority – West (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority as of June 30, 2007 and for the period from January 1, 2007 (date of inception) through June 30, 2007. We encourage readers to consider the information presented here in conjunction with the financial statements. All amounts, unless otherwise noted, are expressed in actual dollars.

FINANCIAL HIGHLIGHTS

- ➤ Act 1 of the First Extraordinary Session of the State Legislature created the Southeast Louisiana Flood Protection Authority West. The Authority was created as part of a movement to "consolidate" levee districts in the New Orleans Metropolitan Area. The Authority began operating in January 2007 and has taken over the oversight responsibility of the West Jefferson Levee District (its component unit).
- > The financial statements presented herein only show the operations of the Authority. The component unit (the West Jefferson Levee District) is not included in the information presented here but financial information is available in a separately issued report.
- > The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$108,885 (net assets). Of this amount, \$76,798 (unrestricted net assets) or 70.5 percent may be used to meet the government's ongoing obligations to citizens and creditors.
- Eeing the first year of operations, the Authority's total net assets increased by \$108,885 or 100.0 percent during the current year.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$76,798, an increase of 100.0 percent as this is the first year of operation. Approximately \$76,798 (or 100.0 percent) of this total amount is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$76,798, which was 45.6 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Southeast Louisiana Flood Protection Authority – West's (SELFPA-W)(the "Authority"), basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The "government-wide financial statements" are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The "statement of net assets" presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets my serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The "statement of activities" presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expense are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Authority only has governmental activities in the public works function. This function includes executive, administrative, and maintenance/construction activities.

The State of Louisiana (the primary government) issues financial statements that include the activity contained in these financial statements. The State's financial statements are issued by the Louisiana Division of Administration – Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor. The Authority is a "component unit" of the State of Louisiana. The Authority, in turn, has a component unit (the West Jefferson Levee District) which is not included in these financial statements. The government-wide financial statements include only the financial activities of the primary government of the Authority. The government-wide financial statements of the Authority can be found on pages 12 and 13 of this report.

Fund financial statements. A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority's funds are classified as "governmental funds".

Governmental funds. "Governmental funds" are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for "governmental funds" with similar information presented for "governmental activities" in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between "governmental fund" and "governmental activities".

The Authority maintains one individual governmental fund – the General Fund.

The Authority adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 14-17 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 - 26 of this report.

Other information. Individual fund statements and schedules, which show additional detailed financial information are presented immediately following the notes to the financial statements. Supplemental information, including a Schedule of Commissioners' Per Diem and a Schedule of State Funding is included on pages 30-31.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$108,885 at June 30, 2007.

A large portion of the Authority's net assets (29.5 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, vehicles and heavy equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Authority used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - WEST NET ASSETS

| | (| Governmental Activities | |
|------------------------------------|----|----------------------------|-------|
| | _ | 2007 | |
| Current and other assets | \$ | 101,328 | |
| Capital assets | | 32,087 | |
| Total assets | _ | 133,415 | |
| Long-term liabilities outstanding | | 0 | |
| Other liabilities | | 24,530 | |
| Total liabilities | | 24,530 | |
| Net assets: | | | |
| Invested in capital assets, net of | | | |
| related debt | | 32,087 | 29.5% |
| Restricted | | 0 | 0.0% |
| Unrestricted | | 76,798 | 70.5% |
| Total net assets | \$ | 108,885 | |

The remaining balance of *unrestricted net assets* (\$76,798 or 70.5 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2007, the Authority is able to report positive fund balances in all three categories of net assets.

The Authority's net assets increased by \$108,885, as this is the first year of operation. The majority of this increase is caused by the state appropriation revenue exceeding the net cost of operations.

Governmental Activities. Governmental activities increased the Authority's net assets by \$108,885. Key elements of this increase are as follows:

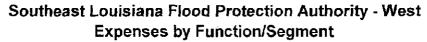
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - WEST CHANGES IN NET ASSETS

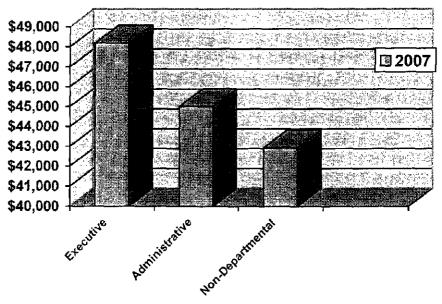
| | G | overnmental Activities | | |
|------------------------------------|----|---------------------------|--|--|
| | | 2007 | | |
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | \$ | - | | |
| Operating grants and contributions | | - | | |
| Capital grants and contributions | | - | | |
| General reveneus: | | | | |
| Property taxes | | - | | |
| State appropriations | | 244,918 | | |
| Commissions and royalties | | - | | |
| Interest | | 101 | | |
| Gain (loss) on sale of equipment | | - | | |
| Other | | | | |
| Total revenues | | 245,019 | | |
| Expenses: | | | | |
| Public works | | | | |
| Executive | | 48,189 | | |
| Administrative | | 45,014 | | |
| Nondepartmental | | 42,931 | | |
| Total expenses | | 136,134 | | |
| Increase in net assets | | 108,885 | | |
| Net assets - Beginning of year | | - | | |
| Net assets - end of year | \$ | 108,885 | | |

- > State appropriations are provided for operations of the Authority. The total amount received for 2007 totaled \$244,918.
- ➤ Interest income was \$101.

Expenses totaled \$136,134.

- Executive function totaled \$48,189. This includes costs for the Commissioners' per diems, legal and auditing fees, consulting fees and dues and subscriptions.
- The Administrative function totaled \$45,014. This includes administrative charges from the West Jefferson Levee District for support staff and facilities.
- Non-departmental function totaled \$42,931. This amount represents the cost of liability insurance for the Authority.





FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's "governmental funds" is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Authority's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Authority maintains only one fund – the General Fund. As of June 30, 2007, the Authority's governmental funds (i.e., the General Fund) reported combined ending fund balances of \$76,798. 100.0 percent of this total amount (\$76,798) constitutes unreserved fund balance, which is available for spending at the government's discretion.

As a measure of the General fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and total fund balance represents 45.6 percent of total general fund expenditures.

The fund balance of the Authority's General fund increased by \$76,798 during the current fiscal year. Key factors in this increase are as follows:

- The General Fund's revenues totaled \$245,019 and the expenditures totaled \$168,221.
- Intergovernmental revenues (state appropriations) totaled \$244,918 or 99.9 percent of total revenues.
- > Interest income totaled \$101.
- As noted above, the Authority's expenditures totaled \$168,221. This was made up of the following:
 - S48,189 in the Executive Function made up of per diems for the Commissioners, legal and auditing fees, consulting fees, travel expenditures, and dues and subscriptions
 - \$45,014 in the Administrative Function made up mostly of charges for rental of facilities and administrative charges from the West Jefferson Levee District for support staff
 - o \$42,931 in Non-departmental Function made up of unallocated liability insurance costs
 - o \$32,087 in Capital Outlay due to the purchase of laptops and emergency radios

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in a net decrease in appropriations of \$(4,900). These changes are summarized as follows:

- ➤ \$(24,901) decrease in executive activities, primarily in per diems \$(8,000), travel \$(3,000), other professional services \$(28,000), offset by increases in legal services of \$19,000 and payroll taxes of \$2,900. The decreases were needed due to the delay in getting the Authority up and running. The increases were needed due to the Authority hiring an in-house lawyer.
- ➤ \$13,001 increase in administrative activities, primarily in the administrative charges paid to the West Jefferson Levee District. This increase was needed as the Authority continues to set up its management structure and continues to rely on the Levee District's support staff.
- > \$3,000 increase in non-departmental activities, primarily in the cost of insurance premiums.
- ➤ \$4,000 increase in capital outlay to cover the maintenance and warranty costs on the laptop computers.

Revenues were amended down by the same \$4,900.

Revenues and other sources came in \$81 or less than 1.0 percent under the final budget and expenditures and other uses were \$76,789 or 31.3 percent under the final budget. On the expenditure side, the largest under budget items were in the executive function, where salaries were budgeted at \$60,000 and not utilized. Again, the Authority is setting up its management structure and may need these monies in the future. Other consulting fees were also \$17,500 under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Authority's investment in capital assets for its governmental activities as of June 30, 2007 amounts to \$32,087 (net of accumulated depreciation and outstanding debt). This investment in capital assets includes land, buildings, furniture and equipment, vehicles and heavy equipment. The Authority's investment in capital assets increased by \$32,087 or 100.0 percent, as this is the first year of operation. Major capital asset events during the current fiscal year included the following:

- > \$9,987 was spent on laptops for the Commissioners,
- > \$22,100 was spent on new emergency satellite radios.

SOUTH EAST LOUISIANA FLOOD PROTECTION AUTHORITY - WEST (NET OF DEPRECIATION)

| Governmental Activities | | | | | | |
|----------------------------|--------|--|--|--|--|--|
| | 2007 | | | | | |
| \$ | - | | | | | |
| | • | | | | | |
| | 32,087 | | | | | |
| | • | | | | | |
| \$ | 32,087 | | | | | |
| | | | | | | |

Additional information on the Authority's capital assets can be found in Note D.2 on pages 24.

Long-term Debt. At the end of the current fiscal year, the Authority had no bonded debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the Parish of Jefferson is currently 5.4 percent, which is an increase of 0.5 from a rate of 4.9 a year ago. Since Hurricanes Katrina and Rita, the rate has fluctuated as the population in the metropolitan area shifts.
- > Inflationary trends in the region compare favorably to national indices.
- It is anticipated that the State appropriation for operations will continue in the coming years.

All of these factors were considered in preparing the Authority's budget for the 2007-2008 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board President, Southeast Louisiana Flood Protection Authority – West, 7001 River Road, Marrero, LA 70072.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS JUNE 30, 2007

| | GOVERNMENTAL ACTIVITIES | | | | |
|---|-------------------------|---------|--|--|--|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ | 101,328 | | | |
| Investments | | • | | | |
| Receivables (net of allowance for uncollectibles) | | - | | | |
| Capital assets (net of accumulated depreciation) | | | | | |
| Furniture and equipment | | 32,087 | | | |
| TOTAL ASSETS | | 133,415 | | | |
| LIABILITIES | | | | | |
| Accounts payable and other current liabilities | | 24,521 | | | |
| Accrued payroll and deductions | | 9 | | | |
| Noncurrent liabilities: | | | | | |
| Due within one year | | - | | | |
| Due in more than one year | | - | | | |
| TOTAL LIABILITIES | | 24,530 | | | |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | | 32,087 | | | |
| Restricted for: | | ŕ | | | |
| Debt service | | _ | | | |
| Other | | _ | | | |
| Unrestricted | | 76,798 | | | |
| TOTAL NET ASSETS | \$ | 108,885 | | | |

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - WEST STATE OF LOUISIANA

STATEMENT OF ACTIVITIES FOR THE PERIOD FROM JANUARY 1, 2007 THROUGH JUNE 30, 2007

| STATEMENT OF ACTIVITIES FOR THE PERIOD FROM JANUARY 1, 2007 THROUGH JUNE | ROUGH JUNE 3 | 30, 2007 | | | | | | | NET (E REVEN | NET (EXPENSE) REVENUE AND | |
|---|---------------|----------|----------------------|--------|---|---|--|------------|------------------------|---|--|
| FUNCTION/BUREAU | ENE | EXPENSES | CHARGES FOR SERVICES | ES FOR | PROGRAM REVI OPERATING GRANTS AND CONTRIBUTIONS | PROGRAM REVENUES OPERATING GRANTS AND ONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | AL SAND | DET NET PRIMARY GOVERI | CHAINGES IN NET ASSETS PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES | |
| Primary Government Governmental Activities: Public Works Executive | 69 | 48,189 | 6 4 | | €9 | , | € | r. | (*) | (48, 189) | |
| Administrative | | 45,014 | | | | | | , | | (45,014) | |
| Nondepartmenta! | | 42,931 | | | | • | | , | | (42,931) | |
| Unallocated depreciation expense | | · | | | | ŀ | | ı | | • | |
| Total governmental activities | 64 | 136,134 | 50 | | 85 | | ω , | | | (136,134) | |
| | | | | 9 F | GENERAL REVENUES: State appropriation Unrestricted interest Gain (loss) on sale of Other TRANSFERS IN (OUT) | IERAL REVENUES: State appropriation Unrestricted interest Gain (loss) on sale of equipment Other INSFERS IN (OUT) | ipment | | | 244,918 | |
| | | | | | TOTAL (| SENERAL RE | TOTAL GENERAL REVENUE AND TRANSFERS | KANSFERS | | 245,019 | |
| | | | | S | HANGE IN | CHANGE IN NET ASSETS | | | | 108,885 | |
| | | | | Z | NET ASSETS Beginning of year | of year | | | | | |
| | | | | | End of year | Ħ | | | ક | 108,885 | |

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2007

| | ENERAL | GOVE | TOTAL RNMENTAL FUNDS | |
|---|----------------------|---------------|----------------------------|---------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ | 101,328 | \$ | 101,328 |
| Investments | | - | | - |
| Receivables (net of allowance for uncollectibles) | | - | | - |
| TOTAL ASSETS | \$ | 101,328 | \$ | 101,328 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ | 24,521 | \$ | 24,521 |
| Accrued payroll and deductions | | 9 | | 9 |
| | | | | |
| TOTAL LIABILITIES | | 24,530 | | 24,530 |
| Fund Balances | | | | |
| Unreserved, reported in: | | | | |
| General Fund | | 76,798 | | 76,798 |
| | | | | |
| TOTAL FUND BALANCES | | 76,798 | | 76,798 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ | 101,328 | | |
| Amounts reported for governmental activities in the statement different because: | of net assets are | | | |
| Capital assets used in governmental activities are not final | ncial resources an | d, therefore, | | |
| are not reported in the funds | | | | 32,087 |
| Long-term liabilities, including bonds payable, are not due period and therefore are not reported in the funds. | e and payable in the | ne current | | - |
| Net Assets of Governmental Activities | | | \$ | 108,885 |

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE PERIOD FROM JANUARY 1, 2007 THROUGH JUNE 30, 2007

| | G | ENERAL | TOTAL GOVERNMENTA FUNDS | | |
|--------------------------------|----|---------|-------------------------------|----------------|--|
| REVENUES | | | | | |
| Intergovernmental | | | | | |
| State | \$ | 244,918 | \$ | 244,918 | |
| Interest | | 101 | | 101 | |
| TOTAL REVENUES | | 245,019 | | 245,019 | |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Public Works | | | | | |
| Executive | | 48,189 | | 48,189 | |
| Administrative | | 45,014 | | 45,014 | |
| Non-departmental | | 42,931 | | 42, 931 | |
| Capital outlay | | | | | |
| Property, plant and equipment | | 32,087 | | 32,087 | |
| TOTAL EXPENDITURES | | 168,221 | | 168,221 | |
| EXCESS (DEFICIENCY) OF REVNUES | | | | | |
| OVER EXPENDITURES | · | 76,798 | | 76,798 | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | | ~ | | - | |
| Transfers out | | ~ | | - | |
| Sale of capital assets | | • | | = | |
| Donation of equipment | | - | | - | |
| TOTAL OTHER FINANCING | | | | | |
| SOURCES (USES) | | - | - | | |
| EXCESS (DEFICIENCY) OF REVNUES | | | | | |
| OVER EXPENDITURES AND OTHER | | | | | |
| SOURCES (USES) | | 76,798 | | 76,798 | |
| FUND BALANCE | | | | | |
| Beginning of year | | - | | - | |
| End of year | \$ | 76,798 | \$ | 76,798 | |

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE PERIOD FROM JANUARY 1, 2007 THROUGH JUNE 30, 2007

Amounts reported for governmental activities in the Statement of Activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 15)

\$ 76,798

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

32.087

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Change in net assets of governmental activities (page 13)

\$ 108,885

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE PERIOD FROM JANUARY 1, 2007 THROUGH JUNE 30, 2007

| | | BUDGETED AMOUNTS FINAL | | | BUDGETED AMOUNTS FI | | | BUDGETARY | | | ANCE WITH L BUDGET |
|---------------------------------|----|------------------------|----|----------|---------------------|---------|-----------------------|-----------|--|--|-----------------------|
| | 0 | RIGINAL | | FINAL | | CTUAL | POSITIVE (NEGATIVE | | | | |
| REVENUES | | | | | | | | | | | |
| Intergovernmental | | | | | | | | | | | |
| State | \$ | 250,000 | \$ | 245,000 | \$ | 244,918 | \$ | (82) | | | |
| Interest | | - | | 100 | | 101 | | J | | | |
| TOTAL REVENUES | | 250,000 | | 245,100 | | 245,019 | | (81) | | | |
| EXPENDITURES | | | | | | | | | | | |
| Current | | | | | | | | | | | |
| Public Works | | 145 501 | | 110 (00 | | 40.100 | | 02 411 | | | |
| Executive | | 165,501 | | 140,600 | | 48,189 | | 92,411 | | | |
| Administrative | | 37,499 | | 50,500 | | 45,014 | | 5,486 | | | |
| Non-departmental | | 40,000 | | 43,000 | | 42,931 | | 69 | | | |
| Capital outlay | | 7.000 | | 11.000 | | 12.002 | | (21.002) | | | |
| Property, plant and equipment | | 7,000 | | 11,000 | | 32,087 | | (21,087) | | | |
| TOTAL EXPENDITURES | | 250,000 | | 245,100 | | 168,221 | | 76,879 | | | |
| EXCESS (DEFICIENCY) OF REVENUES | | | | | | | | | | | |
| OVER EXPENDITURES | | | | | | 76,798 | | 76,798 | | | |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | |
| Transfers in | | | | - | | - | | - | | | |
| Transfers out | | | | - | | | | - | | | |
| Sale of capital assets | | | | - | | - | | - | | | |
| Donation of equipment | | - | | - | | - | | • | | | |
| TOTAL OTHER FINANCING | | | | | | | | | | | |
| SOURCES (USES) | | | | <u> </u> | | | | • | | | |
| EXCESS (DEFICIENCY) OF REVENUES | | | | | | | | | | | |
| OVER EXPENDITURES AND OTHER | | | | | | | | | | | |
| SOURCES (USES) | | • | | - | | 76,798 | | 76,798 | | | |
| FUND BALANCE | | | | | | | | | | | |
| Beginning of year | | • | | • | | • | | - | | | |
| End of year | \$ | | S | | \$ | 76,798 | \$ | 76,798 | | | |

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SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Southeast Louisiana Flood Protection Authority – West (the "Authority") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

1. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Authority was created by Act 1 of the First Extraordinary Session of 2006. The governing board of commissioners administers the operations and responsibilities in accordance with the provisions of Louisiana statutes. The Authority is charged with overseeing the levee districts on the Westbank of the New Orleans Metropolitan area. The members of the Board are appointed by the Governor of the State of Louisiana from a list of nominations submitted by a nominating committee as provided by statute.

Based on the criteria described above, the West Jefferson Levee District is a component unit of the Authority. Management has elected to exclude the operations of the West Jefferson Levee District from the accompanying financial statements. Thus, only the operations of the Authority are presented.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition, it has been determined that the Authority is a component unit of the State of Louisiana for financial reporting purposes. Annually, the State of Louisiana (the primary government) issues general purpose financial statements which include the activity contained in the accompanying financial statements. The State's general purpose financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor.

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Because of the nature of the Authority's operations, the Authority reports only governmental activities.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Funds are used by the Authority to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The funds of the Authority are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY -- WEST STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the general government not accounted for in some other fund.

The Authority reports the following major governmental funds:

The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

3. Measurement Focus. Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources* measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using a *current financial resources* measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Authority considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, intergovernmental revenues, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, only when payment is due.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Assets or Equity

A. Cash and Investments

For reporting purposes, cash and cash equivalents includes amounts in demand deposits, time deposits, and certificates of deposit. Louisiana Revised Statutes allow the Authority to invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

State statutes authorize the Authority to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. In accordance with GASB Statement No. 31, investments, if any, are generally stated at fair value. If the investment is in money market securities and has a maturity date of less than 90 days from the balance sheet date, the investment is stated at cost or amortized cost.

B. Inventories

The cost of materials and supplies acquired by the Authority are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such materials and supplies at June 30, 2007 would not be material to the financial statements.

C. Capital Assets

Capital assets, which include property, plant, equipment, are reported in the applicable governmental activities column in the government—wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$100 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

D. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designated fund balances represent tentative plans for future use of financial resources that are subject to change.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS

JUNES TO FINANCIAL STATE
June 30, 2007

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

 Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$32,087 difference are as follows:

| activities | \$ 32.087 |
|--|--------------|
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets - governmental | |
| Depreciation expense | - |
| Capital Outlay | \$ 32,087 |

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budget

Formal budgetary accounting is employed as a management control device during the year for the General Fund. The Board of Commissioners of the Authority submits an annual budget to the Department of Transportation and Development - Office of Public Works (DOTD) and the Legislative Auditor for the succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

The DOTD reviews the budget and makes recommendations pertaining thereto to the Board of Commissioners of the Authority and the Legislative Auditor. Not less than ninety days before the end of the fiscal year, the Board of Commissioners adopts the annual budget after considering the recommendations of the DOTD. Amendments to the budget are made by the Board from time to time as is necessary.

The General Fund's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Encumbrances are not recorded for budgetary purposes.

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditures may not exceed appropriations at the object level within the fund. All annual appropriations which are not expended lapse at year end.

The budgeted amounts represent the original budget and any amendments through June 22, 2007. The budgeted amounts are included, respectively, as the original and final budgets in the accompanying statements.

2. Expenditures in Excess of Appropriations

For the year ended June 30, 2007, expenditures exceeded budget in the capital outlay object level. Satellite radios totaling \$22,100 were purchased near year-end causing this line-item to go over budget. The overbudget items were funded through available fund balance.

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits with Financial Institutions

At June 30, 2007, deposits with financial institutions consisted of the following:

| | Cash | Certificates of Deposit | | | Total | | |
|---|---------------|-------------------------|----------|----|---------|--|--|
| Deposits in Bank Accounts per Balance Sheet | \$ 101,328 | \$ | | \$ | 101,328 | | |
| Bank Balances of Deposits Exposed to Custodial Credit Risk: | | | | | | | |
| A. Uninsured and uncollateralized B. Uninsured and collateralized with securities held by the pledging | \$ - | \$ | - | \$ | - | | |
| institution C. Uninsured and collateralized with securities held by the pledging institution's trust department or agent | - | | - | | - | | |
| but not in the Authority's name Total Bank Balances Exposed to | - | | - | | - | | |
| Custodial Credit Risk | \$ - | \$ | | \$ | | | |
| Total Bank Balances - All Deposits | \$ 113,086 | \$ | <u>-</u> | \$ | 113,086 | | |

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

2. Capital Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

| | Balance July 1, 2006 A | | | Additions Deletio | | | Balance June 30, 2007 | | |
|--|------------------------|----------|----|-------------------|----------|---|--------------------------|----------|--|
| Governmental Activities: | | | | | | | | | |
| Capital Assets, Not Being Depreciated | | | | | | | | | |
| Land | \$ | <u>-</u> | \$ | - | \$ | - | \$ | <u>-</u> | |
| Capital Assets, Being Depreciated | | | | | | | | | |
| Buildings | \$ | _ | \$ | - | \$ | _ | \$ | - | |
| Furniture and Equipment | | - | | 32,087 | | _ | | 32,087 | |
| Vehicles and Heavy Equipment | | _ | | - | | _ | | - | |
| Total Capital Assets Being Depreciated | | - | | 32,087 | | - | | 32,087 | |
| Less Accumulated Depreciation: | | | | | | | | | |
| Buildings | | _ | | _ | | _ | | _ | |
| Furniture and Equipment | | _ | | _ | | _ | | - | |
| Vehicles and Heavy Equipment | | _ | | _ | | _ | | _ | |
| Total Accumulated Depreciation | | - | | - | | _ | | | |
| Capital Assets Being Depreciated, Net | \$ | | \$ | 32,087 | \$ | - | \$ | 32,087 | |
| Total Governmental Activities | C | | æ | 22 007 | e | | c | 22.097 | |
| Capital Assets, Net | <u> </u> | | \$ | 32,087 | \$ | - | Þ | 32,087 | |

No depreciation expense was recognized during the year as the asset additions were made in the last few days of the fiscal year.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

3. Intergovernmental Revenues

Pursuant to Act 1 of the First Extraordinary Session of 2006, the State of Louisiana would provide operating funds to the Authority. During 2007, the amount received totaled \$244,918.

4. Administrative Charges and Rent

The Authority currently rents office space from the West Jefferson Levee District (its component unit). The Authority is also utilizing the executive and administrative staffs of the West Jefferson Levee District for support of its operations. Under a cooperative agreement, the Authority is reimbursing the West Jefferson Levee District for these services. During 2007, the Authority paid West Jefferson Levee District the following amounts:

| | A | Amounts | | |
|------------------------|----|---------|--|--|
| Travel | \$ | 1,489 | | |
| Offical Journal | | 739 | | |
| Rent | | 5,000 | | |
| Administrative Charges | | 37,750 | | |
| | \$ | 44,978 | | |
| | _ | | | |

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Risk Management

The Authority is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, the Authority purchases various types of insurance from commercial carriers.

2. Litigation

There is no litigation pending at June 30, 2007.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST STATE OF LOUISIANA NOTES TO FINANCIAL STATEMENTS June 30, 2007

NOTE F - OTHER INFORMATION

1. Retirement

Employees of the Authority are members of the Social Security System. In addition to the employee contribution withheld at 7.65 per cent, the Authority contributes an equal amount to the Social Security System. Aggregate pension costs for the year is \$1,469. The Authority does not guarantee the benefits granted by the Social Security System.

2. Economic Dependence

As discussed in Note D.3 above, the Authority's primary source of revenue is a state appropriation. These revenues accounted for 99.9 percent of the revenues of the Authority during 2007. The appropriation is part of the State's budget and is to be renewed each year as part of the State's budget process.

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INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL FOR THE PERIOD FROM JANUARY 1, 2007 THROUGH JUNE 30, 2007

| | BUDGETED AMOUNTS | | BUDGETARY | | VARIANCE WITH FINAL BUDGET POSITIVE | | | |
|-------------------------------|------------------|---------|-----------|---------|---|---------|-----|----------|
| | OR | IGINAL | F | INAL | A | CTUAL | (NE | GATIVE) |
| EXPENDITURES | | | | | | | | |
| CURRENT | | | | | | | | |
| PUBLIC WORKS | | | | | | | | |
| EXECUTIVE | | | | | | | | |
| Commissioners | | | | | | | | |
| Per diem | \$ | 30,000 | \$ | 22,000 | \$ | 16,077 | \$ | 5,923 |
| Life insurance | | - | | • | | - | | - |
| Travel | | 12,500 | | 9,000 | | 10,123 | | (1,123) |
| Convention/workshops | | - | | - | | - | | - |
| Salaries | | 60,000 | | 60,000 | | - | | 60,000 |
| Payroll taxes | | - | | 2,900 | | 1,469 | | 1,431 |
| Official journal | | 2,395 | | 1,200 | | 780 | | 420 |
| Dues and subscriptions | | 2,500 | | 1,500 | | 1,000 | | 500 |
| Miscellaneous | | 1,106 | | - | | - | | • |
| Professional services | | | | | | | | - |
| Legal | | 5,000 | | 24,000 | | 16,240 | | 7,760 |
| Accounting and auditing | | 4,000 | | - | | • | | - |
| Сотритет | | • | | - | | • | | - |
| Other | | 48,000 | | 20,000 | | 2,500 | | 17,500 |
| Total Executive | | 165,501 | | 140,600 | | 48,189 | | 92,411 |
| ADMINISTRATIVE | | | | | | | | |
| Administrative charges | | 32,499 | | 45,000 | | 37,750 | | 7,250 |
| Printing | | - | | - | | 130 | | (130) |
| Office supplies | | - | | - | | 1,809 | | (1,809) |
| Bank charges | | - | | 500 | | 325 | | 175 |
| Rent | | 5,000 | | 5,000 | | 5,000 | | • |
| Total Administrative | | 37,499 | | 50,500 | | 45,014 | | 5,486 |
| NON-DEPARTMENTAL | | | | | | | | |
| Insurance premiums | | 40,000 | | 43,000 | | 42,931 | | 69 |
| Total Non-Departmental | | 40,000 | | 43,000 | | 42,931 | | 69 |
| CAPITAL OUTLAY | | | | | | | | |
| Property, plant and equipment | | 7,000 | | 11,000 | | 32,087 | | (21,087) |
| | | 7,000 | | 11,000 | | 32,087 | | (21,087) |
| TOTAL EXPENDITURES | \$ | 250,000 | \$ | 245,100 | <u>\$</u> | 168,221 | \$ | 76,879 |

SUPPLEMENTARY INFORMATION

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SCHEDULE OF COMMISSIONERS' PER DIEMS For The Period From January 1, 2007 Through June 30, 2007

| NAME NAME | NUMBER OF REGULAR MEETINGS | PER DIEM PAID | | |
|---------------------|----------------------------------|------------------|--|--|
| David Bindewald Sr. | 14 | 2,438 | | |
| Robert Howson | 14 | 2,438 | | |
| Kerwin Julien Sr. | 14 | 2,438 | | |
| Susan Maclay | 14 | 2,438 | | |
| Michael Merritt | 14 | 2,438 | | |
| Mark Morgan | 14 | 2,438 | | |
| Joannes Westerink | 7 | 1,449 | | |
| | | \$ 16,077 | | |

SOUTHEAST LOUISANA FLOOD PROTECTION AUTHORITY - WEST STATE OF LOUISIANA

SCHEDULE OF STATE FUNDING For The Period From January 1, 2007 Through June 30, 2007

| DESCRIPTION OF FUNDING | <u>.</u> | AMOUNT |
|-------------------------------------|----------|---------|
| State Appropriation - SLFPA funding | \$ | 244,918 |
| TOTAL | \$ | 244,918 |

(504) 371-4390

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners Southeast Louisiana Flood Protection Authority – West Marrero, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Southeast Louisiana Flood Protection Authority – West (the "Authority") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Authority's compliance with certain laws and regulations for the period from January 1, 2007 (date of inception) through June 30, 2007 included in the accompanying Louisiana Attestation Questionnaire. This agree-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

One expenditure was made during the year for materials and supplies exceeding \$20,000. No expenditures were made for public works exceeding \$100,000. The one expenditure was for satellite radios to be used in emergencies. The Authority did not bid the item out themselves, however, the Authority "piggy-backed" on a bid received by the St. Tammany Parish Council under RFP# 504-50-06-3.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each Authority Board Member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all Authority Board Members and employees, as well as their immediate families.

Management provided me with the required list including the above noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in procedure (3) appeared on the listing provided by management in procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments, if applicable.

Management provided me with a copy of the original and the amended budgets for the year ended June 30, 2007.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting of the Authority's Board on March 30, 2007, which indicated that the budget had been approved and adopted. I traced the adoption of the amended budget to the minutes of a meeting held on June 22, 2007, which indicated that the amended budget had been approved and adopted.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

I compared the actual revenues and expenditures to the final amended budget. Actual revenues did not exceed budgeted revenues by 5% or more and actual expenditures did not exceed budgeted expenditures by 5% or more.

Accounting and Reporting

- 8. Randomly select six disbursements made during the period under examination and:
 - (a) Trace payments to supporting documentation as to proper amount and payee;

I examined the supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account;

The six selected disbursements were properly coded to the correct fund and general ledger account.

(c) Determine whether payments received approval from proper authorities.

Inspection of the supporting documentation of the six selected disbursements indicated adequate approvals.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The notices for the Board meetings were posted in the local newspaper (the official journal).

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

I inspected payroll records for the year and noted no instances which would indicate payments to the employee which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Southeast Flood Protection Authority – West and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Paul C. Rivera, CPA

Paul C. Piner CPA

Marrero, Louisiana

August 29, 2007

LOUISIANA ATTESTATION QUESTIONNAIRE (For Attestation Engagements of Government)

| () of Attestation Engagements of Government) | |
|--|-----------|
| (Date Transmitted) | |
| PAUL C. RIVERA CPA 2612 CRESTURY NO | |
| 2612 CRESTURY ND | |
| MARNERS LA 70272 (Auditors) | |
| In connection with your review of our financial statements as of [date] and for the year then ended, and required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make following representations to you. We accept full responsibility for our compliance with the following law and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations. These representations are based on the information available to us as of (date of completion/representations). June 30, 2007 | the /s |
| completion/representations). JUNE 30, 2007 Public Bid Law | |
| It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, thregulations of the Division of Administration, State Purchasing Office Yes [X] No [] | ne |
| Code of Ethics for Public Officials and Public Employees | |
| It is true that no employees or officials have accepted anything of value, whether in the form of a servic part or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124. Yes [X] No [] | е. |
| t is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under proumstances that would constitute a violation of LSA-RS 42;1119. Yes [x] No [] | |
| Budgeting | |
| We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-R939:1301-14) or the budget requirements of LSA-R939:1301-14) or the budget requirements of LSA-R939:34. | S |
| Yes [X] No [] | |
| | |

| Accounting and Reporting | Α | ccour | ntina | and | Repo | orting |
|--------------------------|---|-------|-------|-----|------|--------|
|--------------------------|---|-------|-------|-----|------|--------|

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [X] No []

We have filed our annual financial statements in accompance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [X] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No []

Meetings

We have complied with the provisions of the Open Veetings Law, provided in RS 42:1 through 42.12 Yes [X]. No $\{-\}$

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

to the issuance of your report.

Sischii
Secretary

Diseas

Treasurer

President

Secretary 8/3//07 Date
Disper & Right Train

esident Aug. 41 -185 Date

SOUTHERST LOUISIANA FLOOD PROTECTION
AUTHORITY - WEST

Date

Schedule Number

STATE OF LOUISIANA

Annual Financial Statements

Fiscal Year Ending June 30, 2007
Southeast Louisiana Flood Protection Authority - West
(Agency Name)

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Physical Address: 1201 N. Third Street Claiborne Building, 6th Floor, Suite 6-130 Baton Rouge, Louisiana 70802

Physical Address: 1600 N. Third Street Baton Rouge, Louisiana 70802

<u>AFFIDAVIT</u>

Personally came and appeared before the undersigned authority, <u>David Bindewald Sr.</u>

(Name) <u>President</u> (Title) of <u>Southeast Louisiana Flood Protection Authority - West (Agency)</u> who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Authority (agency) at June 30, 2007 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 28th day of August, 2007.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: Paul C. Rivera, CPA

Telephone No.:504-371-4390

Date: 8/28/07

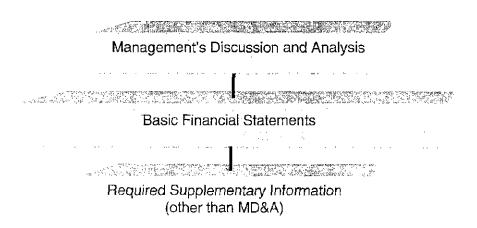
The Management's Discussion and Analysis of the Authority's (BTA) financial performance presents a narrative overview and analysis of Authority's (BTA) financial activities for the year ended June 30, 2007. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages ____ - ___ and the Authority's (BTA) financial statements, which begin on page ____.

FINANCIAL HIGHLIGHTS

- ★ The Authority's (BTA) assets exceeded its liabilities at the close of fiscal year 2007 by \$108,885, which represents a 100.0% increase as this is the year of inception. The net assets increased by \$108,885.
- ★ The Authority's (BTA) revenue totaled \$245,019 and the net results from activities increased by \$_____ (or __%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Authority (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The <u>Balance Sheet</u> (pages _____) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Authority(BTA) is improving or deteriorating.

The <u>Statement of Revenues</u>, <u>Expenses</u>, and <u>Changes in Fund Net Assets</u> (pages __ - __) presents information showing how Authority's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The <u>Statement of Cash Flows</u> (pages __ - __) presents information showing how Authority's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

| 도를 보고 있는 사람들이 얼마를 잃고() | as of June 30, 2007 | | | | 50 |
|------------------------------------|--|---|------------------|------------------------------------|-----------------------|
| | (in thousands) | | | | Ċ, |
| | | | | | |
| | មា ស្រីវិសាជា ខេត្តស្រាស់ មិនប្រែក្រុងប៉ុន្តែការប្រកិច្ចប្រែក មានមានប្រជាព្រះប្រជាព្រះសម្រាស់ ប្រែក្រុងប្រើប្រែការប្រែការប្រាក្សា | منت دائو آباز کافل میدور فراجو کاف است استان می بازد | Total | | |
| | | | | a Terrapak | 별() 선소 |
| | and in the exploration of the distriction of states of the | 2007 | o Maka Alijis Is | 2006 | |
| | | The effect of engine | | ا الأستاد فيا الأربيج من يوسد ا | : |
| Current and other assets | \$ | 101,328 | \$ | | β., , i , , i , |
| Capital assets | | 32,087 | | | |
| Total assets | | 133,415 | | | |
| Other liabilities | | 24,530 | | | i. A, |
| Long-term debt outstanding | | | · | | . ^ |
| Total liabilities | · · · · · · · · · · · · · · · · · · · | 24,530 | | | |
| Net assets: | | | | | |
| Invested in capital assets, net of | of debt | 32,087 | | | |
| Restricted | ** · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · | | | ٠. |
| Unrestricted | · . | 76,798 | | 1 2 1. | . : |
| Total net assets | \$ | 108,885 | , \$ | - | . * |
| | | | - | | |

Statement of Net Assets

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of Authority's (BTA) increased by \$108,885, or 100.0%, from June 30, 2006 to June 30, 2007.

Statement of Revenues, Expenses, and Changes in Fund Net Assets for the years ended June 30, 2007 (in thousands)

| | Total |
|---------------------------------------|-----------------------|
| | 2007 2006 |
| Operating revenues Operating expenses | \$ 0 \$ 0 136134 0 |
| Operating income(loss) | (136,134) |
| Non-operating revenues(expenses) | 245019 0 |
| Income(loss) before transfers | |
| Transfers in Transfers out | 0 0 0 |
| Net increase(decrease) in net assets | \$ 108,885 |

The Authority's (BTA) total revenues increased by \$245019 or (100.0%). The total cost of all programs and services increased by \$136,134 or 100.0%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2007, the Authority (BTA) had \$32,087 invested in a broad range of capital assets, including land, buildings, equipment, vehicles, and infrastructure. (See Table below) This amount represents a net increase (including additions and deductions) of \$32,087, or 100.0%, over last year.

Capital Assets at Year-end (Net of Depreciation, in thousands)

| | <u></u> | 2007 | 2006 |
|----------------------------|-----------|--------|----------|
| Land | \$ | 0 | \$ 0 |
| Buildings and improvements | | 0 | 0 |
| Equipment | | 32,087 | 0 |
| Infrastructure | | 0 | 0 |
| Construction in Progress | | 0 | 0 |
| | Totals \$ | 32,087 | \$ |

This year's major additions included (in thousands):

- \$22,100 for emergency radios
- \$9,987 for lap top computers

_

Debt

The Authority (BTA) had \$ -0- thousand in bonds and notes outstanding at year-end, compared to \$-0- thousand last year, a (decrease / increase) of _____ % as shown in the table below.

Outstanding Debt at Year-end (in thousands)

| | ···· | 2007 | 2006 | |
|---|-----------|------|-----------------|---------|
| General Obligation Bonds Revenue Bonds and Notes | \$ | - | \$ <u>-</u> | |
| <u>-</u> | Totals \$ | _ | \$ • | |
| New debt resulted from | | | | |
| The (BTA)'s bond rating cobligation bonds, andrating for | | | _rating for | general |
| The (BTA) has claims and judg outstanding at year-end compared with \$ accrued vacation pay and sick leave. | | | obligations | include |

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$81 under budget and expenditures were more less than budget due in part to positions not being filled and consulting fees being less than anticipated.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority's (BTA) elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

| • | state appropriation continues to fund operations |
|-----|---|
| The | (BTA) expects that next year's results will improve based on the following: |
| • | |

CONTACTING THE Authority's (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Authority's (BTA) finances and to show the Authority's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact David Bindewald, President at 504-340-0318

STATE OF LOUISIANA Southeast Louisiana Flood Protection Authority - West BALANCE SHEET AS OF June 30, 2007

ASSETS CURRENT ASSETS:

| | | 404,000 |
|--|---|-------------|
| Cash and cash equivalents | \$ | 101,328 |
| Investments Receivables (net of allowance for doubtful | accounts\/Note 11\ | |
| Due from other funds (Note Y) | accounta ((10te e) | |
| Due from federal government | | |
| Inventories | | |
| Prepayments | | |
| Notes receivable | | |
| Other current assets | | 101.328 |
| Total current assets NONCURRENT ASSETS: | | 101.326 |
| Restricted assets (Note F): | | |
| Cash | | |
| Investments | | |
| Receivables | | |
| Notes receivable | | |
| Investments | , | |
| Capital assets (net of depreciation)(Note D |) | |
| Land Buildings and improvements | | |
| Machinery and equipment | | 32,087 |
| Infrastructure | | 02.007 |
| Construction in progress | | |
| Other noncurrent assets | | |
| Total noncurrent assets | | 32.087 |
| Total assets | \$ | 133.415 |
| LIABIT Person | | |
| LIABILITIES CURRENT LIABILITIES: | | |
| Accounts payable and accruals (Note V) | \$ | 24,530 |
| Due to other funds (Note Y) | Ψ | 24,500 |
| Due to federal government | | |
| Deferred revenues | | |
| Amounts held in custody for others | | |
| Other current liabilities | | |
| Current portion of long-term liabilities: | | |
| Contracts payable | | |
| Compensated absences payable (Note K |) | |
| Capital lease obligations - (Note J) | | |
| Claims and litigation payable (Note K) Notes payable | | |
| Liabilities payable from restricted assets | (Note Z) | |
| Bonds payable | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | |
| Other long-term liabilities | | |
| Total current liabilities | | 24,530 |
| NON-CURRENT LIABILITIES: | | |
| Contracts payable | | |
| Compensated absences payable (Note K) Claims and litigation payable (Note K) | | |
| Notes pavable | | |
| Liabilities payable from restricted assets (N | ote Z) | |
| Bonds payable | | |
| Other long-term liabilities | | |
| Total long-term liabilities | | |
| Total liabilities | | 24.530 |
| NET ASSETS | | |
| Invested in capital assets, net of related del | at | |
| Restricted for: | • - | |
| Capital projects | | |
| Debt service | | |
| Unemployment compensation | | |
| Other specific purposes | | |
| Unrestricted | | 108.885 |
| Total net assets | in . | 108.885 |
| Total liabilities and net asse | ets \$ | 133.415 |

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA Southeast Louisiana Flood Protection Authority - West (BTA) STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED June 30, 2007

| OPERATING REVENUES | | |
|---|---------------|-------------|
| Sales of commodities and services | \$ | |
| Assessments | | |
| Use of money and property | | |
| Licenses, permits, and fees | | <u> </u> |
| Other | | |
| Total operating revenues | | |
| OPERATING EXPENSES | | |
| Executive | | 48,189 |
| Administrative | | 45,014 |
| Nondepartmental | | 42,931 |
| Depreciation | | |
| Total operating expenses | | 136,134 |
| Operating income(loss) | | (136,134) |
| NON-OPERATING REVENUES(EXPENSES) | | |
| State appropriations | | 244.918 |
| Intergovernmental revenues(expenses) | | <u> </u> |
| Taxes | | |
| Use of money and property | | 101 |
| Gain on disposal of fixed assets | | <u> </u> |
| Loss on disposal of fixed assets | | |
| Federal grants | | |
| Interest expense | | |
| Other revenue | | |
| Other expense | | |
| Total non-operating revenues(expenses) | | 245,019 |
| , | . | · |
| Income(loss) before contributions and transfers | | 108,885 |
| Capital contributions | | |
| Extraordinary item - Loss on impairment of capital assets | | |
| Transfers in | | |
| Transfers out | | |
| Change in net assets | | 108,885 |
| | | |
| Total net assets – beginning | | 0 |
| Total net assets – ending | \$ | 108,885 |

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA Southeast Louisiana Flood Protection Authority - West (BTA) STATEMENT OF ACTIVITIES FOR THE YEAR ENDED June 30, 2007

See Appendix A for instructions

| _ | Program Revenues | | | Net (Expense) |
|-----------------------------------|--------------------|-----------------|---------------|---------------|
| | | Operating | Capital | Revenue and |
| | Charges for | Grants and | Grants and | Changes in |
| Expenses | Services | Contributions | Contributions | Net Assets |
| | | | | |
| Entity \$136,134 \$ | 0 \$ | <u> </u> | 0_\$ | (136,134) |
| General revenues: | | | | |
| Taxes | | | | |
| State appropriations | | | | 244,918 |
| Grants and contributions no | t restricted to sp | ecific programs | | |
| Interest | | | | 101 |
| Miscellaneous | | | | |
| Special items | | | | |
| Extraordinary item - Loss on imp | airment of capit | al assets | | |
| Transfers | | | | |
| Total general revenues, spe | cial items, and t | ransfers | | 245,019 |
| . Change in net assets | | | | 108,885 |
| Net assets - beginning as restate | ed | | | - |
| Net assets - ending | | | \$ | 108,885 |

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA Southeast Louisiana Flood Protection Authority - West (BTA) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED June 30, 2007

| Cash flows from operating activities | | |
|--|-------------|-----------|
| Cash received from customers | \$ | |
| Cash payments to suppliers for goods and services | (118,588) | |
| Cash payments to employees for services | (17,537) | |
| Payments in lieu of taxes | (11,301) | |
| Internal activity-payments to other funds | | |
| Claims paid to outsiders | | |
| Other operating revenues(expenses) | | |
| Net cash provided(used) by operating activities | | (136,125) |
| , | | (100,120) |
| Cash flows from non-capital financing activities | | |
| State appropriations | 244,918 | |
| Proceeds from sale of bonds | | |
| Principal paid on bonds | | |
| Interest paid on bond maturities | | |
| Proceeds from issuance of notes payable | | |
| Principal paid on notes payable | | |
| Interest paid on notes payable | | |
| Operating grants received | | |
| Transfers in | | |
| Transfers out | | |
| Other | | |
| Net cash provided(used) by non-capital financing activities | | 244,918 |
| Cash flows from capital and related financing activities | | |
| Proceeds from sale of bonds | | |
| Principal paid on bonds | | |
| Interest paid on bond maturities | | |
| Proceeds from issuance of notes payable | | |
| Principal paid on notes payable | | |
| Interest paid on notes payable | | |
| Acquisition/construction of capital assets | (7 F66) | |
| Proceeds from sale of capital assets | (7,566) | |
| Capital contributions | | |
| Other | | |
| | | |
| Net cash provided(used) by capital and related financing activities | | (7.500) |
| acuvines | | (7,566) |
| Cash flows from investing activities | | |
| Purchases of investment securities | | |
| Proceeds from sale of investment securities | | |
| Interest and dividends eamed on investment securities | 101 | |
| Net cash provided(used) by investing activities | | 101 |
| Net increase(decrease) in cash and cash equivalents | | 101,328 |
| Cash and cash equivalents at beginning of year | | |
| Cash and cash equivalents at end of year | \$ | 101 200 |
| Casi i and casi i equivalents at end of year | D | 101,328 |

Statement D (continued)

Southeast Louisiana Flood Protection Authority - West (BTA) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED June 30, 2007

| Reconciliation of operating income(loss) to net cash pro | vided(used) by operating act | ivities: |
|--|------------------------------|-------------|
| Operating income(loss) Adjustments to reconcile operating income(loss) to net cas Depreciation/amortization Provision for uncollectible accounts Other Changes in assets and liabilities: (Increase)decrease in accounts receivable, net (Increase)decrease in due from other funds (Increase)decrease in prepayments (Increase)decrease in inventories (Increase)decrease in other assets Increase(decrease) in accounts payable and accruals Increase(decrease) in compensated absences payable Increase(decrease) in due to other funds Increase(decrease) in deferred revenues Increase(decrease) in other liabilities | h | \$(136,134) |
| Net cash provided(used) by operating activities | | \$(136,125) |
| Schedule of noncash investing, capital, and financing | g activities: | |
| Borrowing under capital lease Contributions of fixed assets Purchases of equipment on account Asset trade-ins Other (specify) | \$ | |
| Total noncash investing, capital, and financing activities: | \$ | |

The accompanying notes are an integral part of this statement.

Statement D (concluded)

INTRODUCTION

The Authority (BTA) was created by the Louisiana State Legislature under the provisions of Act 1 of the First Extraordinary Session of 2006. The following is a brief description of the operations of the Authority (BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Authority (BTA) present information only as to the transactions of the programs of the Authority (BTA) as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Authority (BTA) are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Authority (BTA) are annual lapsing appropriations.

- 1. The budgetary process is an annual appropriation valid for one year.
- 2. The agency is prohibited by statute from over expending the categories established in the budget.
- 3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
- 4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

| | <u>APP</u> | ROPRIATIONS |
|--------------------------|------------|-------------|
| Original approved budget | \$ | 250,000 |
| Amendments: | | (4,900) |
| Final approved budget | \$ | 245,100 |

- C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note C.
 - DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Authority (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2007, consisted of the following:

| | | <u>Cash</u> | | Certificates of Deposit | | Other (Describe) | | <u>Total</u> |
|--|-------------|---------------|----------|----------------------------|--------|---------------------|--------|--------------|
| Balance per agency books | \$_ | 101,328 | . \$ _ | | . \$ _ | | - \$ _ | 101,328 |
| Deposits in bank accounts per bank | \$ | 113,086 | \$_ | | _ \$ _ | | - \$ _ | 113,086 |
| Bank balances of deposits exposed to custodial credi | t risk: | | | | | | | |
| a. Deposits not insured and uncollateralizedb. Deposits not insured and collateralized with | \$ _ | | . \$ _ | | - \$ _ | | - \$ - | |
| securities held by the pledging institution. c. Deposits not insured and collateralized with securities held by the pledging institution's trust | \$ <u>_</u> | | . \$ _ | And the same | _\$_ | | _ \$ | • |
| department or ageny but not in the entity's name. | \$ | | \$_ | <u>-</u> _ | \$_ | | \$_ | · · · |
| NOTE: The "Deposits in bank accounts podue to outstanding items. The following is a breakdown by banking institution accounts per bank" balances shown above: | | | | , | | | | |
| Banking Institution | | <u>Progra</u> | <u>n</u> | | | <u>Amount</u> | | |
| 1. Capital One Bank 2. 3. | | | | | | 113 | 3,086 | - - - |
| Total | | | | \$ | | 113 | 3,086 | _ |

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

| Cash in State Treasury | \$ |
|------------------------|--------|
| Petty cash | \$ |

2. INVESTMENTS

The Authority (BTA) does not maintain investment accounts as authorized by (Note legal provisions authorizing investments by (BTA)).

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the table on the next page, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

| | | its Exposed I Credit Risk Uninsured, | All Investments Regardless of Custodial Credit Risk Exposure | | | | |
|--|--|---|---|----------------------|--|--|--|
| Type of Investment | Uninsured, *Unregistered, and Held by Counterparty | *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name | Reported Amount Per Balance <u>Sheet</u> | Fair <u>Value</u> | | | |
| Repurchase agreements U.S. Government securities U.S. Agency Obligations Common & preferred stock Commercial paper Corporate bonds Other: (identify) | \$ | \$ | \$ | \$ | | | |
| Total investments * unregistered - not registered in the r | | | \$ | _\$ <u>-</u> | | | |
| 3. DERIVATIVES The institution does/does not (the exposure to risk from these credit risk market risk legal risk | circle one) invest i investments is as t | n derivatives as p follows: | | | | | |
| Technical Bulletin 2003-1 required note disclosures bel | uires certain note et Assets. See A | disclosures for | | | | | |

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

| Rating Agency | Rating | <u>Fair Value</u> |
|---------------|--------|-------------------|
| | | \$ |
| | | |
| | | |
| | | |
| | Total | \$ |

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments.)

| | | | | Inve | stment Ma | tu ritie | s (in Years | i) | |
|--|---------------|-------------------|----------------|------|-----------|--------------|-------------|------------|--------------------|
| Type of Debt Investment | Fair Value | | Less Than 1 | | 1 - 5 | | 6 - 10 | | Greater Than 10 |
| U.S. Government obligations U.S. Agency obligations U.S. Treasury obligations Mortgage backed securities Collateralized mortgage obligations Corporate bonds Other bonds Mutual bond funds Other | | \$ | | \$ | | \$ | | \$ | |
| Total debt investments \$ | | = ^{\$} = | - | \$ | <u>-</u> | - \$ <u></u> | <u> </u> | \$ <u></u> | - |

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendix B for examples of debt investments that are highly sensitive to changes in interest rates.

| | \$ | | | |
|---|--|---|--|------------|
| | Ψ | | | |
| | | | | |
| Total | \$ | | | |
| | | | | |
| C. Concentration of Cr | redit Risk | | | |
| | | | r that represents 5% or mo | |
| externai investments (i pools). | not including U.S. go | vernment sed | curities, mutual funds, and | invesime |
| • / | | | % of Total | |
| Issuer | | <u>Amount</u> | Investments | |
| | \$ | | | |
| | | · · · · · · · · · · · · · · · · · · · | | |
| | | | | |
| Total | \$ | - | _ | |
| | | | - | |
| D. Foreign Currency R | | | | |
| Disclose the U.S. dollar I | balances of any depos | | ents that are exposed to for list by currency denomination | |
| Disclose the U.S. dollar I | balances of any depos | n currencies); | list by currency denomination | |
| Disclose the U.S. dollar I | balances of any depos | n currencies); | | |
| Disclose the U.S. dollar I (deposits or investments type, if applicable. Foreign Currency | balances of any depos denominated in foreig | n currencies); <u>Fair V</u> <u>Bonds</u> | list by currency denomination alue in U.S. Dollars Stocks | on and inv |
| Disclose the U.S. dollar I (deposits or investments type, if applicable. Foreign Currency | balances of any depos | n currencies); <u>Fair V</u> <u>Bonds</u> | list by currency denomination | on and inv |
| Disclose the U.S. dollar I (deposits or investments type, if applicable. Foreign Currency | balances of any depos denominated in foreig | n currencies); <u>Fair V</u> <u>Bonds</u> | list by currency denomination alue in U.S. Dollars Stocks | on and inv |
| Disclose the U.S. dollar I (deposits or investments type, if applicable. Foreign Currency | balances of any depos denominated in foreig | n currencies); <u>Fair V</u> <u>Bonds</u> | list by currency denomination alue in U.S. Dollars Stocks | on and inv |
| Disclose the U.S. dollar I (deposits or investments type, if applicable. Foreign Currency | balances of any depos denominated in foreig | n currencies); <u>Fair V</u> <u>Bonds</u> | list by currency denomination alue in U.S. Dollars Stocks | on and inv |
| Disclose the U.S. dollar I (deposits or investments type, if applicable. Foreign Currency | balances of any depos denominated in foreig | n currencies); <u>Fair V</u> <u>Bonds</u> | list by currency denomination alue in U.S. Dollars Stocks | on and inv |
| Disclose the U.S. dollar I (deposits or investments type, if applicable. Foreign Currency Total POLICIES Briefly describe the depos | sit and/or investment p | n currencies); Fair V Bonds policies related | list by currency denomination alue in U.S. Dollars Stocks | on and inv |
| Disclose the U.S. dollar I (deposits or investments type, if applicable. Foreign Currency Total POLICIES Briefly describe the depositivestments, concentration | sit and/or investment p | n currencies); Fair V Bonds policies related trate risk, and | list by currency denomination alue in U.S. Dollars Stocks \$ to the custodial credit risk, I foreign currency risk discloses | on and inv |
| Disclose the U.S. dollar I (deposits or investments type, if applicable. Foreign Currency Total POLICIES Briefly describe the depos | sit and/or investment p | n currencies); Fair V Bonds policies related trate risk, and | list by currency denomination alue in U.S. Dollars Stocks \$ to the custodial credit risk, I foreign currency risk discloses | on and inv |

| a. | Investments in pools managed by other governments or mutual funds |
|------------|---|
| b. | Securities underlying reverse repurchase agreements |
| C. | Unrealized investment losses |
| d. | Commitments as of (fiscal close), to resell securities under yield maintenance repurchase agreements: |
| | Carrying amount and market value at June 30 of securities to be resold Description of the terms of the agreement |
| e. | Losses during the year due to default by counterparties to deposit or investment transactions |
| f. | Amounts recovered from prior-period losses which are not shown separately on the balance sheet |
| <u>Leg</u> | al or Contractual Provisions for Reverse Repurchase Agreements |
| g. | Source of legal or contractual authorization for use of reverse repurchase agreements |
| h. | Significant violations of legal or contractual provisions for reverse repurchase agreements the occurred during the year |
| Rev | erse Repurchase Agreements as of Year-End |
| i. | Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligation including accrued interest compared to aggregate market value of the securities underlying thos agreements including interest |
| j. | Commitments on (fiscal close) to repurchase securities under yield maintenance agreements |
| ζ. | Market value on (fiscal close) of the securities to be repurchased |
| | Description of the terms of the agreements to repurchase |
| n. | Losses recognized during the year due to default by counterparties to reverse repurchase agreements |
| m. n. | Amounts recovered from prior-period losses which are not separately shown on |

Fair Value Disclosures

| For investments in external investment pools that are not SEC-registered, a brief description regulatory oversight for the pool | n of any |
|--|----------|
| Whether the fair value of your investment in the external investment pool is the same as the | |
| the pool shares | |
| Any involuntary participation in an external investment pool | |
| If you are unable to obtain information from a pool sponsor to determine the fair value nvestment in the pool, methods used and significant assumptions made in determining fair value the reasons for having had to make such an estimate | alue and |

D. CAPITAL ASSETS - INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

| | | | | Year e | ended June 30, | 2007 | | |
|--|-----|-----------|---------------|----------------|----------------|------------|--------------|-------------|
| | • | | Prior | Adjusted | | | | |
| | | Balance | Period | Balance | | | | Balance |
| | | 6/30/2006 | Adjustment | 7/1/2006 | Additions | Transfers* | Retirements | 6/30/2007 |
| Capital assets not being depreciated | | | | | | | | |
| Land | \$ | | \$ \$ | \$ | \$ | | \$ \$ | |
| Non-depreciable land improvements | | | | | | | | |
| Capitalized collections | | | | | | | | |
| Construction in progress | - | | | | - | | | |
| Total capital assets not being | | | | | | | | |
| depreciated | \$ | | §\$ | \$ | \$ | | £ | |
| Other capital assets | | | | | | | | |
| Furniture, fixtures, and equipment | \$ | | \$ \$ | \$ | 32,087 \$ | | \$ \$ | 32,087 |
| Less accumulated depreciation | | _ | | | | | | |
| Total furniture, fixtures, and equipment | | | | | 32,087 | | | 32,087 |
| Buildings and improvements | | | | | | | | |
| Less accumulated depreciation | _ | | | | ~~ | | | |
| Total buildings and improvements | | | | | - | | | |
| Depreciable land improvements | | | | | | | | *** |
| Less accumulated depreciation | _ | | | | | | | |
| Total depreciable land improvements | - | <u></u> | - | | | | | |
| Infrastructure | | | | | | | | - |
| Less accumulated depreciation | _ | | | <u> </u> | <u></u> . | | | |
| Total infrastructure | - | | | | - | | | |
| Total other capital assets | \$_ | | \$ <u></u> \$ | | 32,087 \$ | : | £\$_ | 32,087 |
| Capital Asset Summary: | | | | | | | | |
| Capital assets not being depreciated | \$ | | \$ \$ | \$ | \$ | (| - \$ | |
| Other capital assets, at cost | | | | | 32,087 | | | 32,087 |
| Total cost of capital assets | - | | | | 32,087 | 711 | | 32,087 |
| Less accumulated depreciation | _ | | | | | | | |
| Capital assets, net | \$_ | | §\$ | { | 32,087 € | { | f8_ | 32,087 |

^{*} Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES

The BTA's inventories are valued at \$-0- (method of valuation). These are perpetual inventories and are expensed when used.

| | DECEDIA: | | |
|---|----------|----------|---|
| - | RESTRICT | ED ASSET | - |
| | | | |

| Restricted assets in | n the (BTA) at | (fiscal year | end), reflected at |
|----------------------|---|-------------------------------|----------------------|
| \$ in t | he non-current assets section on Staten | nent A, consisting of \$ | in cash with |
| fiscal agent, \$ | in receivables, and \$ | investment in | |
| | (identify the type of investm | ents held.) State the purpose | of the restrictions: |
| | | | , |

G. LEAVE

COMPENSATED ABSENCES

The Authority (BTA) has the following policy on annual and sick leave: (Describe leave policy.)

An example disclosure follows:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at _______(fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$______. The leave payable (is) (is not) recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned

compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2006 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and is also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_06.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2007, decreased / increased to ___% of annual covered payroll from the ___% and ___% required in fiscal years ended June 30, 2006 and 2005 respectively. The (BTA) contributions to the System for the years ending June 30, 2007, 2006, and 2005, were \$-0-, \$-0-, and \$-0-, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits: (NOTE: Ensure that the number of retirees is disclosed below)

1. A description of the benefits provided and the employee group covered.

for the _____ active employees (# of active employees).

- 2. A description of the accounting and funding policies followed for those benefits.
- 3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.*
- 4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

*If the cost of any post retirement health care or life insurance benefits for retirees cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed (part (b) below).

providing those benefits for _____ retirees (# of retirees) is not separable from the cost of providing benefits

| | Æ | | |
|----|---|--|--|
| J. | | | |
| | | | |
| | | | |

| <u>NOTE:</u> When a | | | | unts are r each of th | | | t th | e <u>total am</u> | ou | nt (sum) fo | <u>)r 1</u> | the five-ye | ar p | <u>period,</u> no |
|--|------|-----------|--------------|--------------------------|------|------------|--------------|-------------------|--------------------------|-------------|---------------|------------------|---------------|-------------------|
| 1. OPEF | RATI | NG LEASE | S | | | | | | | | | | | |
| The total pa payments payments i | exte | nd past F | Y 2 | 022, creat | te a | additional | CO | iumns and | d r | eport thes | e f | uture mini | | |
| Nature of lease Office Space | \$ | FY 2008 | \$ | FY 2009 | \$ | FY 2010 | \$ | FY 2011 | \$ | FY 2012 | \$ | FY 2013- 2017 | \$ | FY 2018- 2022 |
| Equipment Land Other | | | - · - - · | | • | | ` - - | | - ⁻ - - | | - ` - - | | | |
| Total | | | \$ | | - \$ | | - - \$ | | - - \$ | | - - \$ | | - | |

CAPITAL LEASES

Capital leases are / are not recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which <u>any one</u> of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases <u>including</u> new leases in effect as of 6/30/07. In Schedule B, report only those new leases entered into during fiscal year 2006-2007.

SCHEDULE A - TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

| Nature of lease | Gross Amount of Leased Asset (Historical Costs) | Remaining interest to end of lease | Remaining principal to end of lease |
|-----------------|---|------------------------------------|-------------------------------------|
| a. Office space | \$ | \$ | _ \$ |
| b. Equipment | | | |
| c. Land | | · | <u> </u> |
| Total | \$ | \$ | \$ |

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2027, create additional rows and report these future minimum lease payments in five year increments.)

| Year ending June 30 : | | <u> Total</u> |
|---|--------|---------------|
| 2008 2009 | \$ | |
| 2010 2011 | _ | |
| 2012 2013-2017 | _ | |
| 2013-2017 | _ | |
| 2023-2027 Total minimum lease payments | | |
| Less amounts representing executory costs Net minimum lease payments | | - |
| Less amounts representing interest Present value of net minimum lease payments | \$ | |

SCHEDULE B - NEW AGENCY CAPITAL LEASES EXCEPT LEAF

| Nature of lease | Gross Amount of Leased Asset (Historical Costs) | Remaining interest to end of <u>lease</u> | Remaining principal to end of <u>lease</u> |
|--|---|--|---|
| a. Office spaceb. Equipmentc. Land | \$ | \$ | \$ |
| Total | \$ | \$ | \$ |

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2027, create additional rows and report these future minimum lease payments in five year increments.)

b. Equipmentc. LandTotal

| Year ending Jun | ne 30: | | <u>Total</u> | |
|-----------------|---|--|---|----------|
| Net minimum lea | ounts representing e ase payments | · | \$ | <u>-</u> |
| | ounts representing in net minimum lease p | | \$ | <u>-</u> |
| | SCHEDULE C - LE | AF CAPITAL LE | ASES | |
| Nature of lease | Gross Amount of Leased Asset (Historical Costs) | Remaining interest to end of <u>lease</u> | Remaining principal to end of <u>lease</u> | |
| a Office share | \$ | ¢ | \$ | |

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2027, create additional rows and report these future minimum lease payments in five year increments.)

| Year ending June 30: | <u>Total</u> |
|---|--------------|
| 2008 | \$ |
| 2009 | |
| 2010 | |
| 2011 | |
| 2012 | |
| 2013-2017 | |
| 2018-2022 | |
| 2023-2027 | |
| Total minimum lease payments | - |
| Less amounts representing executory costs | |
| Net minimum lease payments | - |
| Less amounts representing interest | |
| Present value of net minimum lease payments | \$ |

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

| | Composition of lease | <u>Date of lease</u> | | Minimum lease payment receivable | | aining interest end of lease | Remaining principa |
|----|--|---|-------|----------------------------------|--------------------|---------------------------------|--------------------|
| a. | Office space | | \$ | | \$ | | <u> </u> |
| b. | Equipment | | | | | | |
| C. | Land | | | | | | |
| Le | ess amounts representing | executory costs | | | | | |
| | Minimum lease payment | receivable | • | - | _ | | |
| Le | ess allowance for doubtful | | - | · - | - | | |
| | Net minimum lease paym | | • | | - | | |
| Le | ess estimated residual valu | | - | | - | | |
| | ess unearned income | o o rougou proporty | • | | - | | |
| | Net investment in direct f | inancino lease | \$ | - | - | | |
| | The following is a sche as of (the please create addition increments.) | dule by year of minimine last day of your fis | um le | eases receivable for th | e remai receiva | ning fiscal year | ast FY2027, |
| | V | ear ending | | | | | |
| | | oos | | \$ | | | |
| | | 009 | | <u></u> | | | |
| | 2 | 010 | | | | | |
| | 2 | D11 | | | | | |
| | 20 | 012 | | | | | |
| | · · | 013-2017 | | <u></u> | | | |
| | | 018-2022 | | | | | |
| | 20 | 023-2027 | | | | <u> </u> | |
| | To | otal | | \$ | | - | |

4. LESSOR - OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

| | | | (| Cost | Accumulate depreciatio | _ | arrying nount |
|---|----------------------|--|--------------------|------------|---------------------------|---------------------|------------------------------|
| | Office space | | \$ | \$\$_ | | \$ | |
| Tota | | | \$ | - \$ | | - \$ | <u> </u> |
| Y2027, plea | ase cre | | l columns | | | | ables extend m lease payı |
| Y2027, plea e ceivables i l Year Ended | ase cre n five ye | ate additiona ar increments | d columns (s.) | and report | these futu | ıre minimur | m lease payı |
| Y2027, plea eceivables in | ase cre n five ye | ate additiona | l columns | and report | these futu | | |
| Y2027, plea eceivables in Year Ended June 30, 2008 2009 | ase cre n five ye | ate additiona ar increments fice Space | d columns (s.) | and report | these futu | are minimur ther | m lease payı |
| Y2027, plea eceivables in Year Ended June 30, 2008 | ase cre n five ye | ate additiona ar increments fice Space | d columns (s.) | and report | these futu | are minimur ther | m lease payı |
| Y2027, plea eceivables in Year Ended June 30, 2008 2009 2010 | ase cre n five ye | ate additiona ar increments fice Space | d columns (s.) | and report | these futu | are minimur ther | m lease payı |
| Y2027, plea eceivables in Year Ended June 30, 2008 2009 2010 2011 | ase cre n five ye | ate additiona ar increments fice Space | d columns (s.) | and report | these futu | are minimur ther | m lease payı |
| Y2027, plea eceivables in Year Ended June 30, 2008 2009 2010 2011 2012 | ase cre n five ye | ate additiona ar increments fice Space | d columns (s.) | and report | these futu | are minimur ther | m lease payı |
| Y2027, plea eceivables in Year Ended June 30, 2008 2009 2010 2011 2012 2013-2017 | ase cre n five ye | ate additiona ar increments fice Space | d columns (s.) | and report | these futu | are minimur ther | m lease payı |

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2007: (Balances at June 30th should include current and non-current portion of long-term liabilities.)

| | | | • | <u>Year ende</u> d J | un | e 30, 2007 | | | | | |
|--|-----|-----------------------------|-----|----------------------|------------|------------|-------------|------------------------------------|------------|-----------------------------|---|
| | | Balance June 30, 2006 | , | Additions | | Reductions | | Balance June 30, <u>2007</u> | | Amounts due withir one year | 1 |
| Notes and bonds payable: | | | • | · | | | | | | | |
| Notes payable | \$ | | \$ | | \$ | | \$ | | \$ | | |
| Bonds payable | | | _ | | | | | | | | _ |
| Total notes and bonds | | | | | | | | | | | |
| Other liabilities: | _ | | _ | | - | | | | | | |
| Contracts payable | | | | | | | | | | | |
| Compensated absences payable | | | | | | | | | | | |
| Capital lease obligations | | | | | | | | | | | |
| Claims and litigation | | | | | | | | | | | |
| Liabilities payable from restricted assets | | | | | | | | | | | |
| Other long-term liabilities | _ | | | | _ | | _ _ | | | | |
| Total other liabilities | - | | - | | _ | | _ | | - - | | _ |
| Total long-term liabilities | \$_ | | \$_ | | <u></u> \$ | | \$_ | | \$: | | = |

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES

| reasonable pos amount if it can below, rather | that the notes to the financial sta sibility that assets have been impair reasonably be estimated. Do not disclose GASB 42 impaired capit the reflected on the balance sheet. | red or that a liability has beer report impaired capital as: al assets in Note CC. Los | n incurred along with the dollar sets as defined by GASB 42 |
|---|--|--|--|
| | (BTA) is a defendant in litiga by the Office of Risk Management of | | ollows: (Only list litigation not |
| Date of Action | Description of Litigation and Probable outcome (Remote, reasonably possible, or probable) | Estimated Settlement Amt for Claims & Litigation (Opinion of legal counsel) | Insurance Coverage |
| | | \$\$ | |
| Totals | | \$\$ | |

*Note: Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one). purchase of commercial insurance,

N.

participation in a public entity risk pool (e.g., Office of Risk Management claims) risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.) Other (explain) For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it can not be estimated. Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. **RELATED PARTY TRANSACTIONS** M. FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related **ACCOUNTING CHANGES** Accounting changes made during the year involved a change in accounting _____ (principle, estimate or entity). The effect of the change is being shown in ______. IN-KIND CONTRIBUTIONS List all in-kind contributions that are not included in the accompanying financial statements. Cost/Estimated Cost/Fair Market In-Kind Contributions Value/As Determined by the Grantor

Total

| Ρ. | DEFEASED ISSUES | | | | | | | | | |
|------------|---|------------------------------------|-------------------------------|----------------------------|--|--|--|--|--|--|
| | In | , 20, the | | (BTA), issue | | | | | | |
| | In, 20, the | | | | | | | | | |
| | new issue \$ | nlus an additional \$ | of sinking | fund monies together with | | | | | | |
| | certain other funds ar | nd/or securities, were deposited | and held in an escrow fur | nd created pursuant to a | | | | | | |
| | escrow deposit agreer | nent dated | between the (BTA) an | d the escrow trustee. The | | | | | | |
| | amount in the escrow. | together with interest earnings, | will be used to pay the princ | cipal, redemption premium | | | | | | |
| | and interest when due | e. The refunding resulted in re | ducing the total debt servi | ce payments by almost \$ | | | | | | |
| | | and gave the (BTA) an econom | ic gain (difference between | the present values of the | | | | | | |
| | debt service payments | on the old and new debt) of \$ | · | · | | | | | | |
| Q. | COOPERATIVE END REPORTING REQUIR | EAVORS - SEE SCHEDULE EMENTS | 16 AND APPENDIX E FO | OR INSTRUCTIONS AND | | | | | | |
| | | | | | | | | | | |
| R. | GOVERNMENT-MANI | DATED NONEXCHANGE TRAN | SACTIONS (GRANTS) | | | | | | | |
| | The following governr 2006-2007: | nent-mandated nonexchange tra | ansactions (grants) were re | eceived during fiscal year | | | | | | |
| | CFDA | | State Match | Total Amount | | | | | | |
| | Number | <u>Program Name</u> | <u>Percentage</u> | of Grant | | | | | | |
| | | | 0% \$ | of Grant D | | | | | | |
| | | | | | | | | | | |
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| | *************************************** | | | | | | | | | |
| | | | | | | | | | | |
| | Total government-mar | ndated nonexchange transactions (g | rants) \$ _ | • | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| i. | VIOLATIONS OF FINA | NCE-RELATED LEGAL OR CO | NTRACTUAL PROVISIONS | 3 | | | | | | |
| | | | | | | | | | | |
| | At June 30, 20, th | e (B1 | A) was not in compliance | e with the provisions of | | | | | | |
| | | | Bond Reserve (| Covenant that requires | | | | | | |
| | | | The | (BTA) did | | | | | | |
| | | | to | correct this deficiency. | | | | | | |
| - . | SHORT-TERM DEBT | | | | | | | | | |
| | T 1 | , | | | | | | | | |
| | The | (BTA) issues s | hort-term notes for the | e tollowing purpose(s) | | | | | | |
| | _ | | | | | | | | | |

U.

٧.

Total payables

Short-term debt activity for the year ended June 30, 20___, was as follows: Ending List the type of Short-term debt Beginning (e.g., tax anticipation notes) Balance Redeemed Balance Issued The ______ (BTA) uses a revolving line of credit for the following to finance (list purpose for the S-T debt). Short-term debt activity for the year ended June 30, 20___, was as follows: Ending Beginning Balance Draws Redeemed Balance Line of credit **DISAGGREGATION OF RECEIVABLE BALANCES** Receivables at June 30, 20___, were as follows: Receivables Customer Total Fund from other Other Receivables (gen. fund, gas tax fund, etc.) Receivables Governments Receivables Gross receivables Less allowance for uncollectible accounts Receivables, net Amounts not scheduled for collection during the subsequent year \$ DISAGGREGATION OF PAYABLE BALANCES Payables at June 30, 20 , were as follows: Salaries and Accrued Other Total Vendors Fund Benefits Interest Payables Payables 24.530 24,521 9 \$

24,521

9 \$

24,530

| W. | SUB | SEQU | ENT | EVENT | S |
|----|-----|------|-----|--------------|---|
| | | | | | |

| Disclose any material event(s) affecting the | (BTA) | occurring between | the close | of the | fiscal | period | and |
|--|-------|-------------------|-----------|--------|--------|--------|-----|
| issuance of the financial statement. | | | | | | | |

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

| Type of goods or services provided by | + | |
|---------------------------------------|--------------|--|
| TWOR OF COORS OF Services DEDVIDED DV | ame senanem | |
| Type of goods of solvidge provided by | The organism | |

A. Condensed balance sheet:

(1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.

| Fund | ustomer ceivables | Taxes | | Receivables from other Governments | | Other Receivables | | Total Receivables |
|---|--------------------------|-------|---------|--|-----|----------------------|-------------------------|----------------------|
| | \$ \$ | | _ \$ | | \$ | | \$ | |
| Gross receivables Less allowance for | \$ \$ | - | _ \$ | <u>-</u> | \$_ | | _\$_ | |
| uncollectible accounts Receivables, net | \$ <u>-</u> \$ | - | _ \$ | - | \$_ | - | - - - \$ <u>-</u> | <u> </u> |
| Amounts not scheduled for collection during the | | | | | | | | |
| subsequent year | \$ <u> </u> | - | = \$= | | \$_ | ·········· | \$_ | - |

- (2) Total liabilities distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

| | | Segmen | <u>t #1</u> | Segment | <u>#2</u> |
|---|----|--------|-------------|------------------|-----------|
| Current assets | \$ | | | \$ | |
| Due from other funds | - | | | | |
| Capital assets | | | | | |
| Other assets | | | | | |
| Current liabilities | | | | | |
| Due to other funds | | | | | |
| Long-term liabilities | | | | | |
| Restricted net assets | | | | | |
| Unrestricted net assets | | | | | |
| Invested in capital assets, net of related debt | | | | | |
| 3031 | | | | . | |

- B. Condensed statement of revenues, expenses, and changes in net assets:
 - (1) Operating revenues (by major source).
 - (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
 - (3) Operating income (loss).
 - (4) Nonoperating revenues (expenses) with separate reporting of major revenues and expenses.
 - (5) Capital contributions and additions to permanent and term endowments.
 - (6) Special and extraordinary items.
 - (7) Transfers
 - (8) Change in net assets.
 - (9) Beginning net assets.
 - (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

| 7. [. | | Segment #1 | Segment #2 |
|------------------------------------|----------|------------|-------------|
| Operating revenues | \$ | | \$ |
| Operating expenses | | | |
| Depreciation and amortization | <u> </u> | | |
| Operating income (loss) | | - | - |
| Nonoperating revenues (expenses) | | | |
| Capital contributions/additions to | | | |
| permanent and term endowments | | | |
| Special and extraordinary items | | | |
| Transfers in | | | |
| Transfers out | | | |
| Change in net assets | | • | |
| Beginning net assets | | | |
| Ending net assets | | - | |

- C. Condensed statement of cash flows:
- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

| | | Segment #1 | | Segment #2 |
|----|---|--------------------------|------------------------|--------------------|
| | Net cash provided (used) by operating activities Net cash provided (used) by noncapital financing activities Net cash provided (used) by capital and related financing activities Net cash provided (used) by investing activities Beginning cash and cash equivalent balances Ending cash and cash equivalent balances | \$ | \$\$ | |
| Y. | DUE TO/DUE FROM AND TRANSFERS | | | |
| 1. | List by fund type the amounts due from other funds (Types of funds include general fund, statutory dedic | | | |
| | Type of Fund | lame of Fund | \$ | Amount |
| | P-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1 | | \$ | |
| | Total due from other funds | | \$ <u></u> | |
| 2. | List by fund type the amounts due to other funds de | etailed by individual fo | ınd at f | iscal year end: |
| | Type of Fund N | lame of Fund | \$ | Amount |
| | | | \$ | |
| | Total due to other funds | | \$ <u></u> | |
| 3. | List by fund type all transfers from other funds for | the fiscal year: | | |
| | Type of Fund N | lame of Fund | \$ | <u>Amount</u> |
| | | | \$ | |
| | Total transfers from other funds | | \$ | |
| 4. | List by fund type all transfers to other funds for the | e fiscal year: | | |
| | | lame of Fund | \$ | <u>Amount</u> |
| | Total transfers to other funds | | <u></u> | |
| 7 | LIABILITIES PAYABLE FROM RESTRICTED ASSET | · C | | |
| | Liabilities payable from restricted assets in the reflected at \$in the current liabilities accounts payable, \$ in notes payable, | (BTA) | at ent A, c in _ | (fiscal year end), |
| | Liabilities payable from restricted assets in the | (BTA) | at | (fiscal year end), |

| \$in accounts | in the non-current liab payable, \$i | | |
|--|--|--|--|
| PRIOR-YEAR RESTATEMEN | | | |
| The following adjustments | were made to restate beginning | g net assets for June 30, | 20 |
| Ending net assets 6/30/06 as reported to OSRAP on PY AFR \$ | | (Adjustments to | @ 7/1/06 |
| | | | |
| | | | |
| Each adjustment must be | explained in detail on a separate | n shoot | |
| Eden dajustinent mast be t | explained in detail on a separate | 311001 | |
| | | | |
| Include all audit adjustmen | ts accepted by the agency or e | ntity. | |
| NET ASSETS RESTRICTED E | | r |) |
| NET ASSETS RESTRICTED E Of the total net assets repenabling legislation (which is specific purposes stipulated | oorted on Statement A at Jurnicludes a legally enforceable re in the legislation). Refer to Apas required by GASB Statem | (GASB STATEMENT 46 ne 30, 20, \$ equirement that the resou | are restricted are stricted are restricted are rest |
| NET ASSETS RESTRICTED E Of the total net assets repenabling legislation (which is specific purposes stipulated the amount to be reported | oorted on Statement A at Jurnicludes a legally enforceable re in the legislation). Refer to Apas required by GASB Statem | (GASB STATEMENT 46 ne 30, 20, \$ equirement that the resou | are restricted are stricted are restricted are rest |
| NET ASSETS RESTRICTED E Of the total net assets repenabling legislation (which is specific purposes stipulated the amount to be reported enabling legislation and the | oorted on Statement A at Jurnicludes a legally enforceable re in the legislation). Refer to Apas required by GASB Statem | (GASB STATEMENT 46 ne 30, 20, \$equirement that the resour opendix C for more detailment 46. List below the | are restricted are stricted are restricted are rest |
| NET ASSETS RESTRICTED E Of the total net assets repenabling legislation (which is specific purposes stipulated the amount to be reported enabling legislation and the | oorted on Statement A at Jurnicludes a legally enforceable re in the legislation). Refer to Apas required by GASB Statem | (GASB STATEMENT 46 ne 30, 20, \$equirement that the resource opendix C for more detailment 46. List below the Amount | are restricted are stricted are restricted are rest |
| NET ASSETS RESTRICTED E Of the total net assets repenabling legislation (which is specific purposes stipulated the amount to be reported enabling legislation and the | oorted on Statement A at Jurnicludes a legally enforceable re in the legislation). Refer to Apas required by GASB Statem | (GASB STATEMENT 46 ne 30, 20, \$equirement that the resource opendix C for more detailment 46. List below the Amount | are restricted are stricted are restricted are rest |
| NET ASSETS RESTRICTED E Of the total net assets repenabling legislation (which is specific purposes stipulated the amount to be reported enabling legislation and the | oorted on Statement A at Jurnicludes a legally enforceable re in the legislation). Refer to Apas required by GASB Statem | (GASB STATEMENT 46 ne 30, 20, \$equirement that the resource opendix C for more detailment 46. List below the Amount | are restricted are stricted are restricted are rest |

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See Appendix D for more information on GASB 42 and the Impairment of Capital Assets.

The following capital assets became impaired in FY 06-07: (There are five indicators of impairment described in Appendix D, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

| Type of asset | Amount of Impairment <u>Loss</u> | Indication of <u>Impairment</u> | Insurance Recovery in the same FY | Reason for Impairment (e.g. hurricane) |
|------------------|--|---------------------------------------|---|--|
| Buildings | , | | | |
| Movable Property | | | | |
| Infrastructure | | | | |

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year: (Include the capital assets listed above that are still idle at the end of the fiscal year, and any prior year impaired assets that are still idle at the end of the fiscal year.)

| Type of asset | Carrying <u>Value</u> |
|------------------|--------------------------|
| Buildings | \$ |
| Movable Property | \$ |
| Infrastructure | \$ |

DD. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages, that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as payment for unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payment for unused leave balances.

Other termination benefits may include:

- 1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
- 2. Health care coverage when none would otherwise be provided (COBRA)
- 3. Compensated absences, including payments for leave balances
- 4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits:

- 1. A description of the termination benefit arrangement(s)
- 2. Period the employer becomes obligated
- 3. Number of employees affected
- 4. Cost of termination benefits
- 5. Type of benefit(s) provided
- 6. The period of time over which the benefits are expected to be provided
- 7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
- 8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

| Substantially all employees are eligible for termination benefits upon separation from the state. The agency |
|---|
| recognizes the cost of providing these benefits as expenditures when paid during the year. For 2007, the cost |
| of providing those benefits for (number of) voluntary terminations totaled \$ For 2007, the |
| cost of providing those benefits for (number of) involuntary terminations totaled \$ |
| [The termination benefits (voluntary and involuntary) paid in FY 2007 should also be included in the Statement |
| of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.] |
| The liability for the accrued voluntary terminations benefits payable at June 30, is \$ This |
| liability consists of (number of) voluntary terminations. The liability for the accrued involuntary |
| terminations benefits payable at June 30, is \$ This liability consists of (number |
| of) involuntary terminations. |
| The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.] |
| If a termination benefit is not recognized because the expected benefits are not estimable, the employer |
| should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact. |
| |
| |
| |

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

STATE OF LOUISIANA Southeast Louisiana Flood Protection Authority - West BTA) SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS For the Year Ended June 30, 2007 (Fiscal Close)

| <u>Name</u> | <u>Amount</u> |
|--------------------|---------------|
| David Bindewald Sr | \$ 2,438 |
| Robert Howson | 2,438 |
| Kerwin Julien Sr. | 2,438 |
| Susan Maclay | 2,438 |
| Michael Merritt | 2,438 |
| Mark Morgan | 2,438 |
| Joannes Westerink | 1,449 |
| | 0 |
| | |
| | |
| | - |
| | |
| | |
| | \$ 16,077 |

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE OF NOTES PAYABLE

(Fiscal close)

| Issue | Date of Issue | Original Issue | Principal Outstanding 6/30/PY | Redeemed (Issued) | Principal Outstanding 6/30/CY | Interest Rates | Interest Outstanding 6/30/CY |
|--------------------|---------------|-------------------|-------------------------------------|----------------------|-------------------------------------|-------------------|------------------------------------|
| | | \$ | \$ | \$ | \$ | | \$ |
| ye, and the second | | | | | | | |
| | | | | | | | |
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| · | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total | | \$ | \$ | \$ | \$ | | \$ |

^{*}Send copies of new amortization schedules

SCHEDULE 3-A

STATE OF LOUISIANA (BTA) SCHEDULE OF BONDS PAYABLE (Fiscal close)

| issue | Date of Issue | Original Issue | Principal Outstanding 6/30/PY | Redeemed (Issued) | Principal Outstanding 6/30/CY | Interest Rates | Interest Outstanding 6/30/CY | |
|-------|------------------|-------------------|-------------------------------------|----------------------|-------------------------------------|-------------------|------------------------------------|--|
| | | \$ | \$ | \$ | \$ | | \$ | |
| | | | | | | | | |
| | | | | | | | | |
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| | | | • | | | | | |
| | | | | | | | | |
| | - | * | | | | | | |
| Total | | \$ | \$ | \$ | \$ | | \$ | |

^{*}Send copies of new amortization schedules

(BTA) SCHEDULE OF CAPITAL LEASE AMORTIZATION For The Year Ended June 30, 20__

| Fiscal Year Ending: | <u>Payment</u> | Interest | Principal | Balance |
|------------------------|----------------|----------|-----------|-------------|
| 2008 | \$ | \$ | \$ | \$ |
| 2009 | | | | |
| 2010 | | | | |
| 2011 | | | | |
| 2012 | | | | |
| 2013-2017 | | | | |
| 2018-2022 | | | | |
| 2023-2027 | | | | |
| 2028-2032 | | | | |
| | | | | |
| Total | \$ | \$ | \$ | \$ <u> </u> |

SCHEDULE OF NOTES PAYABLE AMORTIZATION For the Year Ended June 30, 20__

| Fiscal Year Ending: | <u>Principal</u> | <u>interest</u> |
|------------------------|---------------------------------|---------------------------------------|
| 2008 | \$ | \$ |
| 2009 | | |
| 2010 | | |
| 2011 | | de gandelle er gelt de greit de fait. |
| 2012 | | |
| 2013-2017 | | |
| 2018-2022 | Programme and the second second | |
| 2023-2027 | <u> </u> | |
| 2028-2032 | | |
| | | |
| Total | \$ | \$ |

_ (BTA)

SCHEDULE OF BONDS PAYABLE AMORTIZATION For The Year Ended June 30, 20__

| Fiscal Year Ending: | Principal | <u>Interest</u> |
|------------------------|-----------|-----------------|
| 2008 | \$ | \$ |
| 2009 | | |
| 2010 | | |
| 2011 | | |
| 2012 | | |
| 2013 | | |
| 2014 | | |
| 2015 | | |
| 2016 | | |
| 2017 | | |
| 2018 | | |
| 2019 | | |
| 2020 | | |
| 2021 | | |
| 2022 | | |
| 2023 | | |
| 2024 | | , |
| 2025 | | |
| 2026 | | |
| 2027 | ···· | |
| 2028 | | |
| 2029 | | |
| 20 30 | | |
| 2031 | | |
| 2032 | | |
| Total | \$ | \$ |

| | | (BTA |
|-------------------|----|------|
| COMPARISON FIGURE | ES | |

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

| | | | <u>2007</u> | | <u>2006</u> | | Difference | | Percentage <u>Change</u> |
|----|-------------------------|----|-------------|-----|-------------|-----|------------|----|-----------------------------|
| 1) | Revenues | \$ | | _\$ | | _\$ | | \$ | |
| | Expenses | | | _ | | _ | | _ | |
| 2) | Capital assets | | | _ | | | | | |
| | Long-term debt | | | _ | | _ | | | |
| | Net Assets | | | _ | | _ | - | | |
| | Explanation for change: | | | _ | | | | | |
| | | • | | | | | | | |
| | | | | | | | | | |